<u>REMARKS</u>

Reconsideration of the application in light of the amendments and the following remarks is respectfully requested.

Status of the Claims

Claims 1-3 are pending.

Claim 1 has been amended to conform to U.S. practice, and no new matter has been added.

Claim 3 has been added. No new matter has been added.

Rejection Under 35 U.S.C. § 103

Claims 1 and 2 stand rejected under 35 U.S.C. § 103(a), as being unpatentable over European Patent No. 540,058 to Osawa in view of U.S. Patent No. 6,558,811 to Wong, in further view of U.S. Patent No. 6,743,503 to Chen. Applicants respectfully traverse the rejection.

The Examiner contends that Osawa discloses most of the steps of claim 1. However, the Examiner acknowledges that Osawa does not disclose exposure to an atmosphere of oxygen-containing gas, but relies on Wong as disclosing this feature. Additionally, the Examiner acknowledges that neither Osawa nor Wong disclose repeating magnetic layers multiple times, but relies on Chen as disclosing this feature.

Claim 1 recites the steps of "laminating a magnetic layer on said under-layer by . . . forming an oxide layer on a surface, [and] depositing a magnetic layer component comprising ferromagnetic grains and grain boundaries surrounding said grains." Applicants respectfully submit that Osawa neither discloses nor suggests these elements. Specifically, Osawa only

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discloses a first magnetic layer composed of Cr, Ni, and Co, and a second magnetic layer "consisting essentially of cobalt and at least one selected from a group of Cr, Ti, Ta, Pt, and O." (Osawa, page 2, lines 6-13.) Thus, Osawa does not teach or suggest "forming an oxide layer on a surface" or "a magnetic layer comprising ferromagnetic grains and grain boundaries surrounding said grains," as recited in claim 1. Further, Wong and Chen do not supply the missing elements.

Regarding Wong, the Examiner contends that Wong discloses exposure to an atmosphere of oxygen-containing gas. In contrast, Wong actually discloses depositing a seedlayer by sputtering an aluminum-containing intermetallic alloy in an atmosphere of argon and nitrogen or "[o]ther sputtering gas[], such as methane and oxygen." (Wong, column 1, line 63 - column 2, line 8.) Applicants respectfully submit that the step of "exposing to an atmosphere of oxygen-containing gas and forming an oxide layer," as recited in claim 1, is significantly different from using oxygen as a sputtering gas to deposit an aluminum-containing intermetallic alloy seedlayer. Thus, Wong does not disclose the exposing step.

Applicants respectfully submit that Osawa, Wong, and Chen, alone or in combination, neither disclose nor suggest all the features of claim 1. Thus, Applicants respectfully request that the above rejection be reconsidered and withdrawn.

Additionally, claim 2 defines over the cited references based, at least, on its own recital and its dependency from independent claim 1. Thus, Applicants respectfully request that the above rejection be reconsidered and withdrawn.

Claims 3 has been added and defines over the cited references for at least the reasons cited above.

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CONCLUSION

Each and every point raised in the Office Action dated September 21, 2005 has been addressed on the basis of the above amendments and remarks. In view of the foregoing it is believed that claims 1-3 are in condition for allowance and it is respectfully requested that the application be reconsidered and that all pending claims be allowed and the case passed to issue.

If there are any other issues remaining which the Examiner believes could be resolved through a Supplemental Response or an Examiner's Amendment, the Examiner is respectfully requested to contact the undersigned at the telephone number indicated below.

Respectfully submitted,

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Louis J. DelIndice Reg. No. 47,522

Attorney for Applicants

DARBY & DARBY, P.C. Post Office Box 5257

New York, N.Y. 10150-5257

Phone: (212) 527-7700